

Annex: Matrix of Actions of the MDB Action plan – G20 Infrastructure pillar – October 2012 update

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MDB Infrastructure Action Plan

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
<p>1. Improving Project Preparation Funds (PPFs) Effectiveness</p> <ul style="list-style-type: none"> Support the ICA's plan to commission an assessment of existing project preparation facilities Prioritize project preparation financing in MDB and bilateral funding 	<p>ICA Secretariat & AfDB</p> <p>All MDBs and Bilaterals</p>	<p>ICA Secretariat: The draft final report for the assessment was produced in mid September. An ICA Reference Group of MDBs and donors have provided guidance to finalize the study. The ICA Secretariat will present key messages and recommendations to the G20 DWG in October. Views from G20 members would be welcomed. The final assessment report will be published in last half of October, along with the Road Map for implementing the recommendations. The report will be tabled for discussion at the upcoming ICA members meeting, end-November 2012.</p> <p>AfDB: NEPAD-IPPF's new strategic business plans and streamlined operational procedures have been endorsed. The facility is now embarking on an ambitious USD 200 million replenishment for the period 2012-2015. During the recent African Union Summit, African Heads of State have agreed to financially contribute to IPPF through a mechanism that is to be agreed in January 2013.</p> <p><i>Contacts: Mohamed Hassan (m.hassan@afdb.org), Peter Fernandes-Cardy (p.fernandescardy@afdb.org) and Ralph Olayé (r.olave@afdb.org)</i></p>	<p>November 2012</p>
<ul style="list-style-type: none"> Introduce greater flexibility to PPFs by removing ceilings and restrictions, allowing funds to provide grant resources to private sector project sponsors with claw-back provisions upon contractual close 	<p>All MDBs</p>	<ul style="list-style-type: none"> AsDB has contributed and associated with Infrastructure Project Development Funds (e.g Indonesia, Bangladesh, India, Pakistan and Philippines); AsDB has been a key contributor to Cities Development Initiative for Asia, which was established with Germany, Sweden, Austria, Spain, and PRC (Shanghai Municipal Government) to develop pre-feasibility study for urban infrastructure. In addition, AsDB administers and uses grant Technical Assistance Funds for project preparation. AsDB PPP Operational Plan (approved on 18th April 2012) supports the establishment of project development fund/facility to address the lack of properly structured PPP projects; In March 2011, AsDB introduced the Project Development Facility (PDF). PDF is intended to provide quick-disbursing resources for project formulation, including detailed engineering design and broader project and program preparatory work, including those for policy-based lending and non-sovereign operations, if requested by the client. <p><i>Contact: Gil-Hong Kim (ghkim@adb.org)</i></p>	<p>January 2013</p>
<ul style="list-style-type: none"> Promote pooling of resources across funds through mergers and/or syndication arrangements (avoid creating new funds, evaluate the scope for rationalizing existing ones, harmonize rules and procedures applied by different funds to facilitate collaboration and syndication...) 	<p>All MDBs</p>		<p>April 2012</p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
		<ul style="list-style-type: none"> • WB: New World Bank infrastructure strategy (see below) highlights the importance of adequate project preparation financing. Actions on reforming PPFs pending completion of the assessment to be commissioned by ICA of existing PPFs. <i>Contact: Jordan Schwartz (jschwartz3@worldbank.org)</i> • IsDB is proposing that G20 considers supporting WB-IFC-IsDB Arab Financing Facility for Infrastructure (AFFI) which can be showcased as an example, for potential replication in other regions, of a collaborative effort amongst the MDBs to provide a holistic solution to support the development of Infrastructure. The AFFI would consist of the following four components: <ul style="list-style-type: none"> ○ An Arab Infrastructure Investment Vehicle (AIIV), aimed at providing both conventional and Shariah-based private sector financing to infrastructure projects in the region in which IsDB and IFC will both invest; ○ A policy and discussion forum (the MENA Policy Forum) to make available a coordination and information-sharing mechanism for key stakeholders in the region; ○ A technical assistance window (the Technical Assistance Facility) to offer assistance and funding to address barriers to financing which will initially be funded by the WB, IsDB and IFC; ○ A Public Window to be financed by a USD 200 million (which may subsequently be increased) World Bank loan to support Governments financing of infrastructure and PPPs, including, where appropriate, the public component of the PPPs in which the AIIV invests; <p><i>Contact: Wissam Awada (wawada@isdb.org)</i></p>	
<p>2. Developing catalytic regional projects</p> <ul style="list-style-type: none"> • Identification of criteria for selecting projects 	<p>All MDBs</p>	<p>Already done. See update on the projects.</p> <p><i>Contacts: Jordan Schwartz (jschwartz3@worldbank.org) and Ralph Olayé (r.olaye@afdb.org)</i></p>	

Recommendations	Actor leader	Progress achieved by April 2012	Next Action
<p>3. Expanding TA through expanded PPP practitioners' networks</p>	<p>All MDBs</p>	<ul style="list-style-type: none"> • WB is expanding its hub in Singapore which brings together a range of expertise to provide advice and assistance to countries on PPPs in infrastructure. <i>Contact: Jordan Schwartz (jschwartz3@worldbank.org)</i> • AfDB supporting the establishment of an African PPP network (A3PN), in partnership with national networks. This initiative is led by Nigeria. It has also developed several sector and region specific networks for practitioners to exchange best practices. Through the African Development Institute (EADI), it has and will continue to offer training workshops to selected experts in order to build a critical mass of PPP Champions in both the public and private sectors. <i>Contact: Ralph Olayé (r.olaye@afdb.org)</i> • AsDB has been an active partner of the Multilateral Public-Private Partnership for Infrastructure Capacity Building (MP3IC) initiative since its launching in 2008. AsDB has also continuously allocated resources to support the activities of Asia PPP practitioners' network established under MP3IC. AsDB held the second Asia PPP Practitioner's Network (APN) Training jointly with WBI and KDI on 17-21 October 2011. AsDB also offer the PPP trainings in the DMCs countries on demand basis. <i>Contact: Gil-Hong Kim (ghkim@adb.org)</i> • IADB has developed Infrascop, with The Economist Intelligence Unit, a tool for ranking the Policies and Regulatory Framework for PPPs in LAC. The IADB, through the MIF hosts annually the most important event on PPPs for LAC, PPP Americas, where the practitioners, policymakers and IADB, from the public and private sectors of the Bank, gather and share best practices and lessons learnt on PPP programs and projects. <i>Contact: Gaston Artesiano (gastona@iadb.org)</i> • OECD through the NEPAD-OECD Africa Investment Initiative, a training and advisory programme on PPPs was developed and first implemented in Zambia (March 2012). This is a follow-up to the OECD Investment Policy Reviews undertaken in Southern Africa and is to be expanded to other interested African countries. It builds on relevant tools such as the <i>OECD Principles for Private Sector Participation in Infrastructure</i>, and brings together national PPP units as well as regional PPP networks (such as the SADC PPP Network, with which the OECD also collaborates on Network meetings and planning joint training activities). In addition, it coordinates a SADC SOE Network which focuses on the role of SOEs in infrastructure investment, including through PPPs. <i>Contact: Karim Dahou (karim.dahou@oecd.org)</i> • IsDB: <i>contact Issam Khouy (ikhouy@isdb.org)</i> 	<ul style="list-style-type: none"> • Allocation of technical assistance resources to these platforms, adoption of a strategy work-plan on a demand basis

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<p>4. Increasing incentives for MDB staff to engage in PPP transactions and regional projects</p> <ul style="list-style-type: none"> • WB and AsDB are finalizing plans to introduce incentives for staff to focus on leveraging rather than lending resources and to undertake complex catalytic and regional projects ; other MDB are considering similar initiatives 	<p>All MDBs</p>	<ul style="list-style-type: none"> • WB: In December 2011, the World Bank Board of Shareholders endorsed a new infrastructure strategy for the Group. The new infrastructure strategy features: (a) a WBG Action Plan to scale-up PPPs in 6 focus countries; (b) mobilization of the private sector for infrastructure financing; and (c) scale-up of transformational projects (including regional projects).Implementation of the strategy started in January 2012. In January, the Bank established a new system to monitor progress towards the achievement of strategy targets, with reporting to Senior Management expected at the end of January. Key indicators include: mobilization of private capital, number of PPPs projects, and advisory activities. The institution is thus tracking, and staff have an incentive to maximize the leverage and mobilize additional resources from the private sector. The focus in the strategy on scaling up transformational projects, including regional projects, provides an incentive for staff to engage in this area. <p><i>Contact: Jordan Schwartz (jschwartz3@worldbank.org)</i></p> <ul style="list-style-type: none"> • AsDB PPP Operational Plan highlighted the need to re-define the performance matrix with AsDB operational departments and divisions. The new definitions and measures will reflect the recommended shift to a project life-cycle support approach that expressly promotes a more "hands on" and longer-term approach to AsDB's involvement in PPP projects, with more upfront interaction with government policy makers at the outset and continuity of involvement during projects development and, importantly, implementation to ensure proper monitoring and oversight after a project becomes operational. <p><i>Contact: Gil-Hong Kim (ghkim@adb.org)</i></p> <ul style="list-style-type: none"> • IsDB is actively promoting increased engagement in PPP transactions as part of its overall infrastructure development strategy and awaits the outcome of the WB and AsDB incentive plans being formulated. <p><i>Contact: Issam Khouy (ikhouy@isdb.org)</i></p>	

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
		<ul style="list-style-type: none"> • IADB GCI-9 has prioritized both Infrastructure and Regional Integration as sector priorities. Additionally, one of the focus of the IADB is to contribute to the developing of LAC through the private sector. During 2011, IADB management proposed to the Board of Directors the corresponding Strategies for Private Sector and Regional Integration that set the right incentives for private sector transactions and PPPs. <p><i>Contact: Gaston Artesiano (gastona@iadb.org)</i></p> <ul style="list-style-type: none"> • AfDB: the independent evaluation of Regional Operations has been discussed by the Board of Directors in July 2012. Recommendations address staff disincentives for processing regional projects. Implementation of these recommendations will be initiated after revisions of the corresponding operational frameworks in late 2012 and early 2013. In parallel, Board Committees are discussing the Bank Group's new Private Sector Strategy. This new strategy will provide incentives for more PPP transactions coordinated through the various operational complexes of the AfDB and private sector projects with regional integration benefits. <p><i>Contact: Ralph Olayé (r.olaye@afdb.org)</i></p>	
<p>5. Piloting an Africa infrastructure marketplace</p> <ul style="list-style-type: none"> • Sokoni developed by the AfDB 	<p>AfDB</p>	<ul style="list-style-type: none"> • AfDB: Technical developments are concluded All G20 transformational (in great detail) and PIDA projects (in lesser detail) are uploaded on the platform, which is ready to go live. A multi-Donor Trust Fund is envisaged to fund operations of the platform, following further due diligence and legal discussions with the technological partner. Board discussion is scheduled for early November 2012. Pledges by G20 and African countries are expected and will enable the launch. <p><i>Contact: Ralph Olayé (r.olaye@afdb.org)</i></p>	<p>Pending financial support by G20 member countries</p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
<p>6. Improving procurement practices to facilitate collaboration with the private sector and amongst MDB</p>	<p>All MDBs (and Bilaterals)</p>	<ul style="list-style-type: none"> • <u>ALL MDBs:</u> <ul style="list-style-type: none"> ○ The Heads of Procurement (HoP) of Multilateral Development Banks (MDBs) have finalized the guidance on applying harmonized procurement principles in MDB-financed PPP operations to public sector recipients. This guidance has been published on the MDB harmonization website. ○ The working group under the HoP, with the participation of the private sector arms of the MDBs, is developing a similar guidance for PPP projects where money is lent directly to private sector entities. This will be reviewed and adopted during the next HoP meeting. • <u>WB:</u> Waivers to eligibility rules does not apply as WB enjoys universal access <i>Contact: Jordan Schwartz (jschwartz3@worldbank.org)</i> • <u>ISDB</u> During the recent AsDB-IsDB Retreat held in Manila, Philippines (24-25 November, 2011) a Case Study Session on the pilot AsDB-IsDB Joint-Procurement Initiative for the Power System Efficiency Improvement Project in Bangladesh was organized to discuss a common procurement model to significantly reduce time, enhance coordination and streamline withdrawal application and disbursement procedures. The outcome of the Session was officially documented in the form of an MoU between the two institutions. Moreover, the the two institutions have prioritized five additional infrastructure projects (to be potentially co-financed under the new IDB-AsDB Framework Cofinancing Agreement) to help develop the joint procurement initiative further: 500 kV Java-Bali Transmission Line Project, Indonesia (350 MW Combined Cycle Power Plant in Multan and Faisalabad, Pakistan ; Power Efficiency Improvement Project, Bangladesh (Phase-II) Renewable Energy Initiative, Maldives) <i>Contacts: Bisma Husen (bhusen@isdb.org) and Issa Ide (iide@isdb.org)</i> 	<p>Completed</p> <p>June 2012</p>
<ul style="list-style-type: none"> • Harmonization of guidelines on PPP projects and make available publicly the Guidance note related to procurement in PPP transactions • Support waivers to eligibility rules for co-financed projects among RDBs • “Lead bank” procedure for co-financed projects 			

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		<ul style="list-style-type: none"> • AsDB: Draft Policy to support waivers to eligibility in ADB-financed projects is being prepared for the consideration of the ADB's Board of Directors by end of first semester of 2012; For co-financed projects, Bank's R&P still apply unless the ADB's Board of Directors authorizes a waiver. <i>Contact: Omar H. Tiwana (otiwana@adb.org)</i> • IADB participates in the harmonization working group. In general the Executive Directors of the IADB do not support waivers to IADBs policies, waivers are granted on exceptional cases by definition. This position of the IADB Executive Directors was explicitly informed to the HLP and the G20 when it was requested last year. <i>Contact: Gaston Artesiano (gastona@iadb.org)</i> • AfDB is about to finalize its update of the Guide for the Procurement of Goods, Works and Services in Private Sector Operations financed by the Bank, taking into account the nearly concluded MDB Guidance Note on harmonized procurement principles for PPP projects where funds are lent directly to private sector entities. AfDB is finalizing a Guidance Note on Procurement under PPP arrangements in Public Sector Operations financed by the Bank. It is based on the principles endorsed by the PPP Working Group set up by the MDBs to understand and develop guidance on the application of procurement principles for MDB engagements with PPPs. AfDB is in the process of negotiating a Fiduciary Principles Agreement (the "FPA") between the Bank and different UN agencies acting as implementing agencies, in order to strengthen the mutual cooperation and overcome obstacles encountered in the past due to different legal and fiduciary frameworks, and eligibility requirements. Over the last few months, AfDB has been working with UNICEF (who offered to introduce the outcome to other UN agencies for signature) on the FPA, the scope of which shall be limited to (i) cases of emergency situations, and (ii) regular operations in fragile states lacking capacity. The FPA takes into consideration currently on-going revisions to the Bank's <i>Rules and Procedures for Procurement of Goods, Works and Non-Consulting Services</i> as well as the <i>Rules and Procedures for the Use of Consultants</i>, which makes particular mention of the use of UN Agencies by the Bank. <i>Contact: Ralph Olayé (r.olaye@afdb.org)</i> 	July 2012

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
<p>7. Launching a global infrastructure benchmarking initiative</p>	<p>WB, RDBs and OECD</p>	<ul style="list-style-type: none"> • WB: As indicated in the MDB report, subject to resource availability. <i>Contact: Jordan Schwartz (jschwartz3@worldbank.org)</i> • AfDB: Continued implementation of the Africa Infrastructure Knowledge Program – formerly AICD: <ul style="list-style-type: none"> ○ Handbook on Infrastructure Statistics has been published and is available on the AIKP web site; ○ Data validation workshop for 7 countries held in Tunis in May 2012. Processing and analysis to be done by Dec 2012; ○ data collection in progress in 18 countries ; ○ Training workshop for AIKP data collection for 15 countries scheduled for end-October 2012. <i>Contact: Beejaye Kokil (b.kokil@afdb.org)</i> • AsDB is currently working on sectoral infrastructure information and database including Asia Energy Outlook, Sustainable Transport Outlook, and Asia Water Development Outlook. AsDB has been developing a web-based portal for infrastructure information sharing, National Infrastructure Information System (NIIS), which provides an effective, standardized, country- and agency-customizable platform that provides the basis for more transparent and efficient sharing of project information among country agencies and between these agencies and potential financiers. It has been tested in India, Kazakhstan, Philippines, and Vietnam. There are currently templates for 17 sectors and over 100 sub-sectors available on NIIS. AsDB has had discussion with OECD which in principle agreed to host a meeting to harmonize project level infrastructure information processing approaches used on NIIS. AsDB’s NIIS will lay a foundation for the implementation of GIBI. <i>Contact: Gil-Hong Kim (ghkim@adb.org)</i> 	<p>Pending financial support by G20 member countries</p>
<ul style="list-style-type: none"> • Adopt a global consistent methodology coordinated among MDB • Each RDB and the OECD take the lead on data collection in each region 			

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		<ul style="list-style-type: none"> <p>ISDB: Based on the precedent of Indonesia Infrastructure Diagnostic Study undertaken by IsDB in partnership with ADB and ILO, the IsDB it is proposed that all MDBs work together to replicate AICD to other regions. A timeline needs to be prepared to prioritize the studies and the role of each MDB/RDB</p> <p><i>Contact: Zafar Iqbal (ziqbal@isdb.org)</i></p> <p>IADB will start to work in the developing of standardize information during 2012.</p> <p><i>Contact: Gaston Artesiano (gastona@iadb.org)</i></p> <p>OECD can contribute global and regional data and methodologies to this pillar, The Working Group on International Investment Statistics (WGIIS) of the OECD Investment Committee is the guardian of OECD Benchmark Definition of Foreign Direct Investment [C(2008)76] which sets world standards for FDI statistics. Private financial flows from OECD members to developing countries are already available as part of bilateral FDI statistics of OECD, compiled by the WGIIS. WGIIS is prepared to contribute to the exercise through monitoring private flows to developing countries. The OECD Development Assistance Committee can also contribute its data on ODA flows to infrastructure sectors</p> <p><i>Contact: Karim Dahou (karim.dahou@oecd.org)</i></p> 	<p>Pending financial support by G20 member countries</p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
<p>8. Scaling up the Construction sector transparency initiative (CoST)</p> <ul style="list-style-type: none"> • Deepening and expanding country operations • Broadening CoST's donor base • Implementing an appropriate international governance structure 	WB	<ul style="list-style-type: none"> • WB <ul style="list-style-type: none"> (a) Deepening and Expanding country implementation: The World Bank has disbursed the first tranche (US\$500 000) from the Development Grant Facility (DGF) to the CoST International Secretariat in November 2011. This funding will support CoST implementation in existing countries, including more projects to be disclosed, and will continue raising demand for CoST in new countries. (b) Broadening CoST's donor base: CoST is continuing to raise awareness and to share information with the donor community. To date no additional finance has been secured for the technical oversight and services provided by the CoST International Secretariat; however country-specific funding has been secured. In Guatemala, the national government has allocated US\$125 000 for CoST and in Vietnam, DFID has allocated GBP 100 000 for CoST. (c) Implementing an appropriate governance structure: An Interim Board (IB) has been elected in August 2011. The IB has been vested with executive powers to decide on operational policy, strategic positioning and to approve an operational manual that will govern the CoST Global Program. The IB has met three times since September 2011. (d) Needed support from the G20: Not only does CoST need continued support to broaden its donor base to reach more countries with this transparency initiative, but it also needs more G20 countries to implement CoST in their own countries. This would be an important endorsement from G20 countries and it would stage CoST as global transparency effort important to all countries, not merely the poor. <p><i>Contact: Jordan Schwartz (jschwartz3@worldbank.org)</i></p>	Pending financial support by G20 member countries

HLP Report

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
<p>1. Ensuring a strong supply of bankable projects</p> <ul style="list-style-type: none"> • Establish a fellowship programme supported and managed by the private sector (see also pro-bono advisory activities) 	<p>HLP</p>	<ul style="list-style-type: none"> • HLP: the WEF organized an Infrastructure meeting in Davos on this point, fellowship program on-going (notably with Alcoa Inc.). Progress made since the last WEF Africa forum will be discussed mid-October. In addition, the former HLP Chair continues to work on disseminating the recommendations through interventions in various for a, the latest being the International Forum of Sovereign Wealth Funds in Mexico City early September where he was invited to make the keynote speech. <i>Contact: Pierre-Olivier Bouée (Pierre-Olivier.Bouee@prudential.co.uk)</i> • AfDB: sokoni could contribute to harmonized documentation, when operationalized <i>Contact: Ralph Olayé (r.olaye@afdb.org)</i> • AsDB The development of the PPP Sourcebook, an initiative under MP3IC (WBI, AsDB, and IDB), is underway. The Sourcebook will be a public domain resource for PPP practitioners that will cover the essential areas of knowledge related to PPP project and policy development and implementation. The Sourcebook is expected to become a practical, usable body of knowledge for PPP practitioners. <i>Contact: Gil-Hong Kim (ghkim@adb.org)</i> • IADB supported the creation of the first PPP certificate in Spanish in partnership with the <i>Instituto Tecnológico de Monterrey</i> and through the MIF support, PPP program and project development throughout LAC. <i>Contact: Gaston Artesiano (gastona@iadb.org)</i> • IsDB contact: Fida Rana (frana@isdb.org) 	
<ul style="list-style-type: none"> • Develop standards for PPP documentation based on existing good practice which would allow developing countries to prepare materials of the right quality at lower cost 	<p>MDBs, working with HLP</p>		

Recommendations	Actor leader	Progress achieved by April 2012	Next Action
<p>2. Contributing to building an enabling environment</p> <ul style="list-style-type: none"> • Warmly welcome the proposal of the Infrastructure Consortium for Africa (ICA) to open its membership to G20 countries • Enhancement of the Debt Sustainability Framework (DSF) to allow financing of transformational infrastructure projects <ul style="list-style-type: none"> • Enhancement of the policies guiding non-concessional borrowing towards transformational infrastructure projects <p>Encourage the World Economic Forum to work with the WB and the IMF to develop a composite index that would provide investors with standard appreciation of infrastructure needs and potential in developing countries</p>	<p>G20 members</p> <p>IMF and WB</p> <p>IMF and WB</p> <p>WEF, WB, IMF</p>	<ul style="list-style-type: none"> • The Secretariat of the ICA has started outreaching to potential members. Some of them attended the last ICA Annual Meeting in June 2012 in Tunis. • The joint World Bank-IMF Debt Sustainability Framework aims to support low-income countries' efforts to achieve their development goals without creating future debt problems. The DSF helps guide the borrowing decisions of low-income countries, provide guidance for creditors' lending and grant allocation decisions, and improve World Bank and IMF assessments and policy advice. The DSF was previously reviewed in 2006 and 2009. • In February 2012 the World Bank's Board of Executive Directors approved a number of improvements to the analytical framework used for assessing debt sustainability and allocating IDA resources in low-income countries. These improvements ensure the framework remains relevant given the changing macroeconomic landscape facing low-income countries. The proposals endorsed by the Board include: <ul style="list-style-type: none"> ○ Refining the analysis of debt thresholds by giving more prominence to country-specific factors affecting debt sustainability in low-income countries. ○ Improving the analysis of public debt and fiscal vulnerabilities, to guide external and domestic borrowing decisions. ○ Simplifying the implementation of the debt sustainability analysis to allow country authorities to undertake their own analyses, achieve greater transparency and strengthen their ownership of the DSF. ○ Strengthening the link between debt-financed investment and growth by relying on analytical models developed by IMF and World Bank staff to better capture the expected economic and social returns from investments. <p><i>Contact: Jeffrey Lewis (jlewis4@worldbank.org)</i></p> <ul style="list-style-type: none"> • HLP: the WEF presented a proposal for a composite index at the Infrastructure meeting in Davos <i>Contact: Pierre-Olivier Bouée (Pierre-Olivier.Bouee@prudential.co.uk)</i> 	

Recommendations	Actor leader	Progress achieved by April 2012	Next Action
<p>3. Making funding available under appropriate terms</p> <ul style="list-style-type: none"> • Sustained support for the development and deepening of local currency debt markets in developing countries and consideration of the use of infrastructure bonds as eligible assets for repo funding by central banks • Support the development and capacity building of local financial intermediaries • Efforts by MDB to move from a lending culture to an enabling culture by “crowding in” more private capital through the use of guarantees and other risk mitigation products ; diversify investors, including SWF 	<p>All MDBs and Bilateral</p> <p>All MDBs and Bilateral</p> <p>All MDBs</p>	<ul style="list-style-type: none"> • WB IFC has obtained approval from Ghana and the eight member countries of the West African Monetary Union to establish local currency bond programs to strengthen domestic capital markets and support private sector development in the region. The approvals enable IFC to issue over \$1 billion equivalent in bonds in Ghanaian cedis and CFA francs over the next ten years. The bonds will be sold in their respective markets to domestic and foreign institutional investors. IFC bonds are rated Triple-A by Moody’s Investors Service and Standard & Poor’s. Proceeds from the bonds will fund IFC projects that support private sector development in key areas such as infrastructure and access to finance for small and medium enterprises. IFC will also work with local institutions to help ensure that local capital market regulations meet international standards. IFC regularly raises resources by issuing bonds denominated in the local currency of various countries for sale in those jurisdictions (domestic issues) or in other jurisdictions (Euromarket or offshore issues). To date, IFC has borrowed in over 40 currencies. A number of these are emerging-market currencies, and IFC has often been among the first issuer to borrow in these markets. In Africa, IFC has issued local currency bonds in the west and central CFA zone. IFC has also gained approval for a local currency bond issue in Kenya, and is working with the authorities in Nigeria on a similar approval. The World Bank is currently undertaking a review of its guarantees, with a view to making them better adapted to the needs of client countries. <i>Contact: Jordan Schwartz (jschwartz3@worldbank.org)</i> 	

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
		<ul style="list-style-type: none"> <p>AfDB: As part of its local currency initiative the AfDB has since 2005 has been active in issuing African currency linked notes. Specifically, notes linked to the Botswana Pula, Ghana Cedi, Kenya Shilling, Tanzania Shilling, Zambia Kwacha and Nigeria Naira have been issued in offshore markets. ..</p> <p>AfDB has been a frequent issuer in the South African domestic market. It is the only supranational institution that has ever borrowed in the local Rand market. In July 2012, the AfDB issued a 10-year 12.5 billion Ugandan shilling bond under its 125 billion Ugandan shilling medium-term note program. The Bank has already obtained approval from several African governments and is actively looking at these markets to make similar domestic issuesAs part of African Financial Market Initiative (AFMI), an initiative aimed at enhancing the medium to long-term development of African domestic bond markets, the AfDB completed a feasibility study ranking countries with respect to the development of their local capital markets. The Bank showcased the AFMI website during its Annual Meetings in May 2012. The purpose of the website is to disseminate information and data on African local currency bond markets. From 22 – 24 October 2102, the AfDB will host the first AFMI conference under the theme, “Building sustainable local currency markets for the future”. The conference will bring together policy makers and market participants to share experience on and contribute to critical issues facing the development of local currency bond markets in the continent.</p> <p>Another feasibility study is being launched to assess the potential to fund Regional Infrastructure projects through local currency Infrastructure Bond issuances in selected regional stock markets. Accordingly a consultant has been commissioned to provide a comprehensive review of infrastructure project financing in selected African regions covering various types of infrastructure projects and the institutional framework, financing structures and mechanisms, role of intermediaries, stakeholders, major investors and market environment. The study is expected to be completed by December 2012 and finalized subsequent to a consultative stakeholders workshop to be held in January 2013.</p> <p>Contact: Olivier Eweck (o.eweck@afdb.org)</p> 	<p>October 2012</p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>	<u>Next Action</u>
		<ul style="list-style-type: none"> <li data-bbox="1032 177 1966 1086">• AsDB: A key lesson from the 1997/98 Asian financial crisis is that well developed local currency bond markets are important source of long-term funding not only for increasing financial stability but also for the financing of much needed infrastructure projects in the region. AsDB has worked closely together with the Association of Southeast Asian Nations (ASEAN) and the PRC, Japan, and the Republic of Korea (ASEAN+3) , as a result, to support the development local currency bond markets development under the Asian Bond Markets Initiatives (ABMI). In addition to ASEAN+3 member countries, AsDB has provided support to develop local currency bond markets in South Asia and in other member countries of ADB. In particular, AsDB, together with ASEAN+3, has established a regional credit guarantee and investment facility (CGIF) to provide credit guarantee for issuers seeking to raise long-term funding in local currency for financing of projects such as infrastructure that require long-term funding. CGIF is expected to be operational in the second half of 2012. AsDB also supported other regions including South and East Asia for the financing of long-term investment, especially for infrastructure development. ASEAN Infrastructure Fund was set up in 2011 to promote infrastructure development in the region and support ASEAN economic integration. The Fund’s total lending commitment through to 2020 will be about \$4 billion. With projected 70% co-financing by AsDB, it is expected to leverage more than \$13 billion in infrastructure financing by 2020. AsDB’s support of local financial intermediaries’ capacity development through TAs, and other knowledge sharing events is ongoing. AsDB offered the trainings on Credit Enhancement Products for Infrastructure Finance/Short-Term Trade Finance to both the Bank staff and the DMCs officials in 2011. <i>Contact: Gil-Hong Kim (ghkim@adb.org)</i> <li data-bbox="1032 1098 1637 1163">• IADB offers local currency financing. <i>Contact: Gaston Artesiano (gastona@iadb.org)</i> 	

Projects identified by HLP and MDB

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>
<i>Africa</i>		
West Africa Power pool (WAPP)	WB	<p>The West Africa Power Pool (WAPP) enjoys priority status with the AU and CLSG is a key sub-project. All beneficiary countries are committed and have signed the associated project Protocol, although Cote d'Ivoire has not yet ratified the over-arching Energy Protocol to the ECOWAS Treaty. However, Côte d'Ivoire's expressed interest and support to the project is strong. The broader institutional framework of the WAPP CLSG project is well advanced. The WAPP-CSLG Secretariat has been designated to lead project preparation; a Special Purpose Company (the CLSG Regional Transmission Company) is being set up, which will own, implement and maintain the project. Nonetheless, all four beneficiary countries are fragile states, and many of the national power utilities are in a weak financial condition with limited institutional capacity. The Treaty for its establishment is expected to be signed by all Heads of State by end of May, 2012. The project's preparation is spearheaded by the WAPP Secretariat as the Chair of the Joint Implementation Committee (JIC) of the four countries, with assistance from the AfDB, EIB, KfW and the World Bank. Institutional studies (e.g., for market operator), which are being financed by the World Bank, have been substantially completed and have resulted in a fleet of draft legal documents, which define the structure of the Special Purpose Company (SPC). Financiers are working to reach financial closure of the project in 2012, with the objective of the project to be completed by 2015.</p> <p>CLSG is expected to lead to development of IPPs along the transmission routing of the various countries; which in turn could involve IFC and MIGA instruments.</p> <p>Souapiti Hydro Power Project, with a capacity of 515 MW is being developed as a PPP in partnership with a mining company. There are ongoing discussions between GoG, Sinohydro and China Eximbank about the project, but the latest status is unclear.</p> <p>A pre-feasibility study was completed in 2009 and an ESIA is underway under AfDB funding. The World Bank is processing a US\$1.5m financing for the Souapiti feasibility study under the CSLG project. Souapiti is still in the preparation phase with potential financing sources still being discussed.</p> <p>Contact : Jordan Schwartz (jschwartz3@worldbank.org)</p>
	AfDB	<p>Interconnection between Côte d'Ivoire, Libéria, Sierra Léone and Guinea (CLSG). Consultations between cofinanciers are still ongoing in view of finalizing the implementation arrangements. Legal documentation is being finalized for the establishment of the project Special Purpose Vehicle. Funding secured through the African Development Fund (concessional loans and grants) to be presented to the Board early 2013, after completion of the ESIA. Contact: Elise Akitani (e.akitani@afdb.org)</p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>
Ethiopia and Kenya Power Systems Interconnection	WB	<p>Lending preparations continue to advance for the East African Power Pool (EAPP), with the project's implementing entities, Kenya Electricity Transmission Company (KETRACO) and Ethiopian Electric Power Company (EEPSCO), having formed a Joint Project Coordination Unit (JPCU) and each having established a national Project Implementation Team (PIT). The earliest commissioning date for the interconnector is end-2016. The project cost estimate is about US\$1,152 million. The development partners include AfDB, World Bank, EIB, and AFD.</p> <p>Status: WB Board approved an IDA support in July 2012.</p> <p>Contact : Jordan Schwartz (jschwartz3@worldbank.org)</p>
	AfDB	<p>The development partners include AfDB, World Bank, and AFD. The project's implementing entities, Kenya Electricity Transmission Company (KETRACO) and Ethiopian Electric Power Company (EEPSCO), are progressing with the preparation of the project's detailed design in view of preparing the bidding documents for the procurement of the different components of the project.</p> <p>The earliest commissioning date for the interconnector is end 2017 / beginning 2018. The project cost estimates are still being refined, following the completion of the technical design consultant's inception report detailing the revised project costs. At present, the project cost estimate is about US\$1,152 million.</p> <p>The project involves the construction of an electricity highway between Ethiopia and Kenya, consisting of about 1,068 km of High Voltage Direct Current 500 kV transmission line and associated converter stations at both ends, having a power transfer capacity of up to 2,000 MW.</p> <p>The project's development objective is to promote power trade and regional integration, contribute to the EAPP countries' social and economic development and reduce poverty in those countries. The project aims at exporting the anticipated power supply surplus in Ethiopia to Kenya. This will result in improved supply of electricity in Kenya and other Eastern African Power Pool (EAPP) countries in the long run. In Kenya alone, the additional power injected into the national grid will enable the supply of electricity to an additional 870,000 households by 2018, and a cumulative total of 1,400,000 additional households by 2022 (of which 18% will be located in rural areas). Businesses and industries in Kenya will also benefit, with around 3,100 GWh of additional energy by 2018, increasing to around 5,100 GWh by 2022.</p> <p>Approximately USD 350 million funding from the African Development Fund (concessional loan) was considered approved by the AfDB Board in September 2012.</p> <p>Contact: Solomon Asfaw (s.asfaw@afdb.org)</p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>
Inga Hydropower	WB	<p>A workshop held between Oct 12-14, 2011 recommended developing Inga 3 as a first stage of Grand Inga - the so-called Phase A. Inga 3 would have an installed capacity of about 4,000 MW, a firm capacity of 3,000 MW at an estimated cost of US\$ 6.3 billion. the WB and AfDB are coordinating support for technical assistance along with AU.</p> <p>Status: TA Concept review meeting scheduled for May 2, 2012 and Board presentation for April 9, 2013. MIGA status: In discussions with one bidder.) Inga 3 is one of 5 priority projects closely followed by the Energy Task Force for priority projects in Africa established by RBZ in response to request by the African Consultative Group members</p> <p>Contact : Jordan Schwartz (jschwartz3@worldbank.org)</p>
	AfDB	<p>The feasibility study to determine the best technical option is still ongoing. Likewise, there are ongoing discussions with Congolese authorities on the institutional arrangements for the project. A mission of coordination took place in Kinshasa in March 2012, where status of project preparation was discussed and way forward was agreed.</p> <p>AfDB is also funding the finalization of the feasibility study of Inga 3 (Grand Inga Phase A) with a target date of September 2012. Energy demand is being firmed up with South Africa and with the mining companies in DRC, after the withdrawal of BHP Billiton.</p> <p>Status: AfDB is working with the potential replenishment of NEPAD IPPF as the main source for funding further support to project preparation.</p> <p>Contact: Ibrahima Konate (i.konate@afdb.org)</p>
North-South Corridor (NSC)	AfDB	<p>In December 2011, AfDB approved a loan of US\$81.6m to Zambia to co-finance the US\$260m Kazungula bridge Project on the corridor and at the border between Botswana and Zambia, the two participating countries. The project is being co-financed with JICA and construction is scheduled for completion in 2018. The Bank is currently in dialogue with other institutions (e.g. DBSA) and governments on developing scope and similar co-financing partnership for future projects to boost the efficiency of the corridor.</p> <p>Contact: Patrick Opoku-Darkwa (p.opoku-darkwa@afdb.org)</p>
	WB	<p>This project aims at upgrading defective road links and promote adoption of modernized one-stop border crossings to tackle frontier delays. The corridor connects five landlocked countries, Botswana, Malawi, Zambia, Zimbabwe, and southeastern DRC, respectively.</p> <p>Status: Options for its development still under review, including the originally proposed option of a concession in light of the significant investment needs and the need for high volume traffic to justify the investment.</p> <p>Contact : Jordan Schwartz (jschwartz3@worldbank.org)</p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>
Isaka-Kigali Railway	AfDB	Contracts for the study and technical assistance were signed in mid-January 2012, the study has commenced in February. It is anticipated to be completed by end 2012 . Also, the Bank is continuing to assess participation in the wider development corridor through its private sector lending window. A detailed feasibility study that will also consider the PPP option was commissioned in Feb 2012 by African Development Bank. Financial close is targeted around 2015. <i>Contact: Aymen A. Osman Ali (a.ali@afdb.org)</i>
	WB	This is one the highest ranked priority projects within framework of the East Africa Railway Master Plan. The railway (494km) will link the commercial capital of Rwanda, Kigali with Isaka dry port in central Tanzania. Status: A concept note is under preparation with a tentative IDA allocation \$US 150 million. The proposed project, in the wider context, could be a stepping stone for a larger regional project that could potentially involve a concession with private finance for the entire link from Dar to Kigali. <i>Contact : Jordan Schwartz (jschwartz3@worldbank.org)</i>
<u>Middle East and North Africa (MENA)</u>		
Jordan Railway project	ISDB	The Kingdom of Jordan is planning to develop a new railway network which will connect major centers, ports and entry points within Jordan. Total Project Cost is estimated at US\$5 billion. WB, IsDB, EIB, AFD, JICA, Arab Fund, Saudi Fund, Kuwait Fund, and Abu Dhabi Fund have already expressed an interest in financing the Project. However, currently, the project is on hold as the Government of Jordan is unable to provide sovereign guarantees for the MDB loans that would finance the Project . Thus, G20 can lend its support by providing the needed guarantees as well as bridging the financing gap, as needed, to facilitate the financial closure and initiation of the project implementation at the earliest possible. Moreover, the G20 can also provide the needed technical support. <i>Contact: Hassan A. Musa (hmusa@isdb.org) and Atiq Ahmad (atiqahmad@isdb.org)</i>
	WB	The Kingdom of Jordan is planning to develop a new railway network which will connect major centers, ports and entry points within Jordan. WB, IsDB, EIB, AFD, JICA, Arab Fund, Saudi Fund, Kuwait Fund, and Abu Dhabi Fund have already expressed an interest in financing the Project. <i>Contact : Jordan Schwartz (jschwartz3@worldbank.org)</i>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>
<p>Scaling up solar energy in MENA for export to European Markets (1200MW)</p>	<p>ISDB</p>	<p>The Mediterranean Solar Plan was launched, initially by France, in 2008 as a partnership between MENA and the EU to promote Mediterranean integration through solar energy exports from MENA to EU green energy markets, given the massive comparative advantage of MENA in solar energy. This requires investments in solar energy power plants in MENA and the opening of EU green energy markets to imports, by providing a level playing field in the provision of subsidies. The investments are beginning to happen, most notably with the 500MW Ouarzazate CSP plant within the framework of the 2000MW Moroccan Solar Plan, whose leadership and risk-taking are closely watched by the rest of the region. Currently the scale-up of CSP is being supported in five MENA countries (Morocco, Algeria, Tunisia, Egypt, and Jordan) by a multi-donor group, which includes: the Clean Technology Fund, EU Neighborhood Investment Facility, AfDB, WB, IsDB, EIB, KfW (with German Government grants), AFD and Japanese donors. CSP is seen as a major green growth and employment opportunity for MENA, which has taken on even greater importance and urgency since the Arab Awakening, as well as a global opportunity to reduce the costs of a 24/7 non-carbon energy technology. However, the effective opening of green energy markets is awaiting decisions in key EU member states. It is to be hoped that 2012 will see progress on the European side, particularly in the key member states of France, Germany, Italy, and Spain. This could be enhanced by the Deauville Partnership's pledge of concrete support to MENA partner countries through market access and aid, as well as by the revised European Neighborhood Policy's pursuit of those objectives. It is to be noted that the bidding has been recently completed and the results publically announced for the first phase of the Ouarzazate PPP (Morocco) - competition by private investors wanting to participate was strong. Negotiations of an intergovernmental agreement for CSP Exports from Morocco to Europe are also currently underway.. <i>Contact: Salah Mansour (smansour@isdb.org)</i></p>
	<p>WB</p>	<p>MENA countries are embarking on scaling-up concentrated solar power (CSP) investment program to reduce their current consumption of oil and gas in the power sector as well as export power to their European neighbors. The program includes 1200 MW of CSP generation and also cross-border interconnections for export. Currently the scale-up CSP is being supported in Morocco, Algeria, Tunisia, Egypt, and Jordan by a multi-donor group, which includes: AfDB, WB, IsDB, EIB, as well as Japanese and European donor. TPC estimated at \$5.6 billion. <i>Contact : Jordan Schwartz (jschwartz3@worldbank.org)</i></p>
	<p>AfDB</p>	<p>Funding from the Clean Technology Fund (CTF): USD 197 million, including 100 million from AfDB and 97 million from WB. Other cofinanciers include KfW, EIB and AFD. Status: The most advanced project is Ouarzazate Morocco 160MW CSP. Selection of the private developer is at a very advanced stage. Financing is being provided by AfDB, KfW, AFD, EIB and WB. Start of construction is expected by the end of 2012. <i>Contact: Ibrahima Konate (i.konate@afdb.org)</i></p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>
<u>Asia</u>		
Turkmenistan-Afghanistan-Pakistan and India (TAPI) Natural Gas Pipeline	AsDB	<p>Basis for commercial agreements, Heads of Agreement to Gas Sales and Purchase Agreement, signed in September 2010. Foundation for subsequent host country agreements, Gas Pipeline Framework Agreement (GPFA) signed in December 2010. Commitment to cooperate and realize the project, Inter Government Agreement (IGA) signed in December 2010. Gas Sales and Purchase Agreements (GSPA) negotiations between the Seller (Turkmenistan) and two Buyers (India and Pakistan) for 100% of the gas have been concluded in May 2012. Turkmenistan/Afghanistan GSPA is still under negotiations. Roadshows were held in September 2012 in major oil/gas and financial hubs around the World to meet with prospective sponsors and financiers.</p> <p>Contact: F.C. Kawawaki (fkawawaki@adb.org)</p>
ASEAN Infrastructure Fund (AIF)	AsDB: Initiation of the AIF operations set at June 2012	<p>The Shareholders Agreement was signed with the 9 ASEAN members and ADB in Washington, DC, USA on 24 September 2011. Thailand accessed to the AIF in March 2012. In November 2011, ADB has formed an inter-departmental working group to support the AIF administration. The AIF was incorporated in Malaysia on 24 April 2012 as a limited liability company. The memorandum and articles of association for the AIF was also issued. The 1st AIF Board meeting was held on 3 May 2012 in Manila, Philippines. At the meeting, the AIF Board approved (a) the AIF governance and operational structure; (b) the framework for financial reporting to the AIF Board; (c) the framework for the AIF's liquidity management and (d) the indicative pipeline of candidate projects for 2012-2014. On 11 June 2012, the AIF Board formally elected the AIF chairmanship (Indonesia and Malaysia for 2012-2013). Based on the above, the AIF is expected to be fully operational by end of 2012.</p> <p>Contact: Arjun Goswami (agoswami@adb.org)</p>
Regional Program for Scaling-up Clean Biomass Energy in the Greater Mekong Subregion	AsDB: Asian Rural Biogas Fund To be launched by the end of 2012	<p>A \$4 million regional capacity development project financed by Nordic Development Fund has started since December 2011. The ensuing project has since been merged into a larger, multi-sector project titled: Climate-friendly Value Chain Development in the GMS, scheduled for approval in 2014. Request for funds for project preparatory technical assistant is being pursued. Low pace of public finance resource/grants mobilization hinders the implementation of this project. G20 member countries grant support will facilitate the project preparation and implementation.</p> <p>Contact: Sununtar Setboonsarng (ssetboonsarng@adb.org)</p>

<u>Recommendations</u>	<u>Actor leader</u>	<u>Progress achieved by April 2012</u>
<u>Latin America and Caribbean</u>		
Pacific Corridor	IADB	<p>Based on the Investment Program comprising all highway and border crossing works identified for the Pacific Corridor, a proposal has been developed for the financial and institutional implementation, considering public-private partnerships and traditional public works procurement.</p> <p>On the XIII Summit for Chiefs of State and Government of the Tuxtla Dialog and Concert Mechanism, held on Mérida, Yucatán, the “Declaration of Merida” was issued on December 13th, 2011. This Declaration reassures the relevance, objectives and actions of the Mesoamerica Project and defines specific mandates to move forward with the studies and works for the Mesoamerican Integration Corridor (MIC, otherwise known as Pacific Corridor). Following these mandates, a proposal for a Management Unit for the program was developed, based upon a Memorandum of Understanding to be signed by all beneficiary countries in the term of three months since the summit. Both instruments are currently being analyzed by the Transportation Ministers and their advisors of each of the member countries.</p> <p>Currently, IADB is supporting with a team of consultants the elaboration of all Terms of Reference required to develop the pre-investment studies for all projects identified for the Pacific Corridor, terms that are expected to be completed by mid-2012.</p> <p><i>Contacts: Gaston Astesiano (gastona@iadb.org), Marcos Camacho Lopez (marcosca@iadb.org) and Carlos Mojica (cmojica@iadb.org)</i></p>